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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 12-81

WASHINGTON, March 25--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

China has requested the United Nations Disaster Relief Organization (UNDRO) for assistance in combating the aftermath of drought and flooding that occurred last year. According to Chinese officials and an UNDRO team that visited China in January, from 10 to 15 million persons, representing about 1 to 1.5 percent of China's population, are affected. Substantial quantities of wheat, rice, corn and sorghum, soyflour, cooking oil and non-fat dry milk have been requested by China to distribute in the destitute areas until this year's crops are harvested. Also included in the request for aid are seed, fertilizer, pesticides, and other inputs to assist in the recovery of the harvest.

Growing conditions in China last year were the poorest since 1959-1961. The Chinese first reported the decline in grain outturn was slight, but more recently upgraded the decline to about 5 percent, or at least 16.5 million tons. Between 40 to 50 percent of the crop reduction reportedly occurred in Hubei in central China and Hebei in north China, the two provinces for which aid has been requested. Crops, primarily rice, were set back by flooding in Hubei; wheat and corn were the dominant crops affected by drought in Hebei.

Thus far, the Chinese have requested aid only through the United Nations. As far as it is known at this time, China has not approached individual governments for bilateral assistance.

In SOUTH AFRICA, favorable weather in the Maize Triangle, as well as a 2-percent increase in planted area, has resulted in a record maize crop. According to the South African Maize Board, the outturn is now expected to reach 13.4 million tons, 17 percent above the previous record crop harvested in 1974. The white corn portion of the total corn crop is estimated to reach about 6 million tons, compared with 4 million tons last season, making sizable white corn exports possible after a near absence in the world market for the past two years.

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MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel: 447-7937.

With a crop this large, the U.S. agricultural attache in Pretoria indicates that the exportable surplus could exceed 7 million tons. However, because of limitations in South Africa's transportation system and port facilities, exports probably will not exceed 4 million tons, versus 3.6 million tons in the season that is just coming to a close. The surplus is compounded by the record Zimbabwe white maize crop, which will likely compete with the South African crop for its traditional customers to the north. This forces most of South Africa's exports to move by rail to southern ports, which are already working near capacity as a result of South Africa's high level of economic activity.

DAIRY, LIVESTOCK AND POULTRY

POLAND's domestic problems have apparently affected its exports of canned hams and shoulders to the United States. Although the 41,121 tons imported by the United States during 1980 were about 1 percent above shipments from Poland in 1979, shipments of canned hams and shoulders to the United States during the last four months of 1980 were 20 percent below the same period of the preceding year. In January, Polish shipments of these commodities to the United States were 10 percent below the same period in 1980.

Poland faces a serious domestic meat shortage but exports are needed to generate foreign exchange. Feed problems, including a disastrous 1980 potato crop, have led to reductions in hog inventories, and 1980 pork production is expected to be significantly below the 1980 level. These reductions could mean that Poland, which sent 96 percent of its total 1980 exports of canned hams and shoulders to the United States, may have to reduce shipments of these commodities in 1981.

TOBACCO

India's tobacco production in 1979/80 totaled 446,900 tons, down 1.5 percent from the preceding year. Flue-cured tobacco output totaled 102,700 tons, 28 percent less than in 1979. To offset these reductions, the industry is seeking increases in the government's minimum export prices for the 1980/81 flue-cured crop, ranging from 15 percent for top grades to 10 percent for medium grades.

Assistance for India's tobacco industry may be forthcoming under a protocol for cooperation in agriculture with Bulgaria. A Bulgarian delegation recently visited the province of Andhra Pradesh to discuss two joint ventures in tobacco. The projects explored were flue-cured and burley production and the establishment of a wholly export-oriented cigarette factory. The program also includes joint scientific research on tobacco.

GREECE and BULGARIA have announced a deal to barter buses and tobacco. Greece will receive 200 Bulgarian buses for an unknown amount of Greek tobacco. This agreement will help alleviate a tobacco shortage in Bulgaria and at the same time reduce excess tobacco stocks in Greece. Forty-five percent of the tobacco will come from government stocks, 15 percent from agricultural cooperative stocks and 40 percent from private stocks.

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Disposal of the excess tobacco stocks has posed a problem for Greece's accession into the European Community (EC). Government stocks from preceding years are to be sold within five years of its January 1, 1981, accession into the EC.

Government support prices in 1980 for oriental exportable tobacco averaged 161 Drachmas per kilogram (US \$3.16), up 25 percent from the 1979 crop. Greek farmers also receive a subsidy of 30 Drachmas per kilogram (59 U.S. cents). Greek tobacco exports for calendar 1980 totaled 69,633 tons valued at US \$213.5 million.

HORTICULTURAL AND TROPICAL PRODUCTS

In CANADA, potato producers in Ontario, Quebec and the Atlantic Provinces will receive a payment of 70 Canadian cents per hundredweight for potatoes grown and marketed in the 1979/80 crop year. The payment is based on the difference between the support price of C \$3.42 per hundredweight (90 percent of the previous five-year average indexed for changes in cash cost of production) and the average market return for the 1979 crop, which was C \$ 2.72. The maximum claim per producer will be limited to sales of 10,000 hundredweight. In the case of bona fide partnerships, up to three partners may claim payments. Claimants must submit valid sales receipts to substantiate their claims.

JAPAN announced on March 6 the citrus juice import quotas for Japanese Fiscal Year 1980 (April 1980 - March 1981). The global quotas consist of 5,000 tons of orange juice and 3,000 tons of grapefruit juice (5:1 concentrate basis). All imported orange juice must be sold as a product blended with domestic juice, but no blending is required for marketing imported grapefruit juice.

SPAIN's production of exportable quality table olives in 1980/81 is expected to be down 20 percent from the 123,000 tons packed in 1979/80. Although there is no reduction in the overall table olive crop, the reduction in supplies of exportable quality is due to drought conditions in the key producing areas of Seville and Badajoz. Exports are projected at 74,000 tons for 1980/81, down about 7 percent from the preceding year.

Preliminary estimates for 1980/81 indicate a sharp increase of 54 percent in the average grower price from the level paid in 1979/80. This increase is due to smaller output of exportable quality olives, lower carry-in stocks and higher input costs. Reportedly, rising costs in Spain have practically eliminated the price edge that Spanish-packed olives have enjoyed, compared with U.S.-packed olives. Consequently more bulk olives now are being shipped to the United States for repacking.

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The UNITED STATES has taken the last step to fully comply with the Export Controls System of the International Coffee Agreement. President Reagan signed Executive Order 1297 on March 12 delegating to the U.S. Trade Representative authority granted the President under the International Coffee Agreement Act of 1980 (P.L. 96-599). The Trade Representative will now direct the Commissioner of Customs to enforce the quota system and limit coffee imports from countries not members of the agreement. U.S. Customs Service field personnel will implement the system once their instructions have been published in the Federal Register.

INTERNATIONAL WEATHER AND CROP SUMMARY, March 16 - 22

EUROPE--Temperatures decreased to near normal in most southwestern countries. Winter grain growth continued in all countries except Poland. All areas received at least some precipitation, with heaviest totals occurring in the Balkans. Portions of the Po Valley in northern Italy had some beneficial light rainfall, but much greater amounts will be needed to prevent further deterioration of winter grain prospects as temperatures rise. On the Iberian Peninsula, substantial precipitation was limited mainly to northern Portugal. Spain did not receive enough moisture to prevent further crop dessication. In northern portions of Europe, soil moisture remained in good supply.

WESTERN USSR--Warmer weather caused more snowmelt in the winter grain belt. By the weekend, only the minor areas in the lower Volga Valley, the Black Soils and the Central Region had any snow cover. Above-normal temperatures in the Ukraine and North Caucasus permitted winter grain growth across southern portions of the belt, and increased spring planting activity was reported. Above-normal rainfall over much of the Ukraine and North Caucasus kept fields wet, and despite the previous week's drier weather conditions in some areas were probably a little too wet for fieldwork.

SOUTH ASIA--A frontal system moving in from the west dumped above-normal rainfall over extensive areas of India and Pakistan. In central parts of India, the moisture was beneficial in replenishing soil moisture supplies, although much will be lost in the hot weather of April and May before the monsoon begins. The moisture in northern India and Pakistan was probably somewhat detrimental to maturing winter grains. However, no excessive winds apparently accompanied the front, and damage should be minimal. Temperatures for the week averaged just below normal, with highs ranging into the low 30's (Celsius).

NORTHWESTERN AFRICA--A low-pressure system developed over Algeria early in the week and spread above-normal rainfall across winter grain areas of Algeria and Tunisia. Rainfall amounts were lightest in western Algeria where conditions had become a little too dry for grains in the heading stage. Nevertheless, this timely moisture somewhat alleviated the dryness and brightened crop prospects in that area. Soil moisture conditions in Tunisia and eastern Algeria remained good. Light rain in Morocco may have temporarily halted potential yield declines in the north, but more moisture will be needed over the next several weeks to prevent further decreases. Winter grains in southern Morocco had probably deteriorated too much to benefit from any amount of rainfall.

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EASTERN ASIA--Some light rainfall along the Yellow River on the North China Plain gave slight relief to winter grains. Just to the north, most of Hebei remained dry, and temperatures ranging much above normal put additional stress on plants. Southern portions of the belt should still have adequate moisture for continued growth. Rainfall south of the Yangtze River increased further and spread over a larger area. Although conditions are probably too wet in some areas for newly planted crops, conditions are not nearly as wet as last year at this time. In South Korea, no precipitation occurred, but soil moisture should remain adequate for winter grain growth in spite of warmer-than-normal weather.

SOUTH AMERICA--Weekly rainfall was widely scattered with highest totals of 75 mm or more confined to coastal areas, which are east of the major crop areas of Sao Paulo and Minas Gerais. Northern corn areas in Minas Gerais received 50 to 70 mm of rain; but most other crop areas in Brazil and Argentina had relatively light rainfall of less than 15 mm. Average temperatures were slightly below normal in all regions. In general, the weather continued to cooperate with crop development and harvest activities in both countries. Heavy showers during mid-week in Minas Gerais may have slowed harvesting somewhat but caused no major delays. Elsewhere, dry weather aided the ripening process. Harvesting should begin in southern crop areas of Brazil and Argentina very soon.

SOUTH AFRICA--The rainy season is showing signs of tapering off just slightly ahead of the long-term average, with only scattered showers occurring throughout South Africa's major corn-producing area. Highest weekly rainfall amounts of 20 to 30 mm were found in the northern portion of the Maize Triangle. Long periods of sunshine, as indicated by satellite photos, continued to provide good growth conditions during the grain-filling and ripening stages. Soil moisture supplies are sufficient and temperatures have been favorable for corn development. Harvesting of early season corn, which was planted in October and early November, should be underway within the next two weeks.

MEXICO--Sunny, warm conditions dominated most of the country. A few showers dotting the east and extreme northwest were too light to improve soil moisture or interfere with field activities. Harvesting of west coast vegetables and planting and early growth of corn and grain sorghum in the northeast should be progressing well.

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	March 24, 1981	Change from previous week	A year ago
	\$ per m. ton	\$ per bu.	\$ per m. ton
Wheat			
Canadian No. 1 CWRS-12.5%.....	1/	1/	1/
U.S. No. 2 DNS/NS: 14%.....	209.00	5.69	194.00
U.S. No. 2 DHW/HW: 13.5%.....	211.00	5.74	1/
U.S. No. 2 S.R.W.....	204.00	5.55	193.50
U.S. No. 3 H.A.D.....	246.00	6.70	238.00
Canadian No. 1 A: Durum.....	1/	1/	1/
Feed grains:			
U.S. No. 3 Yellow Corn.....	165.00	4.19	131.50
U.S. No. 2 Sorghum 2/.....	169.00	4.29	146.00
Feed Barley 3/.....	181.00	3.94	159.00
Soybeans:			
U.S. No. 2 Yellow.....	307.50	8.37	257.50
Argentine 4/.....	307.00	8.36	1/
U.S. 44% Soybean Meal (M.T.)..	265.50	--	224.00
EC Import Levies			
Wheat 6/.....	87.05	2.37	110.70
Barley.....	62.35	1.36	105.00
Corn.....	78.15	1.99	124.55
Sorghum.....	71.20	1.81	110.50

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

Note: Basis April delivery.

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